

September 21, 2006

Marlene Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A306
Washington, D.C. 20554

Re: *In the Matter of Federal State Joint
Board on Universal Service*, CC Docket
No. 96-45.

Dear Ms. Dortch:

I represent the Public Utilities Commission of Ohio ("Ohio Commission") in this proceeding and I am writing to you in that capacity.

Accompanying this letter is a copy of a Finding & Order (F&O) released by the Ohio Commission on September 20, 2006. This F&O was issued pursuant to the FCC's directive set forth in CC Docket No. 96-45, which required State commissions to certify that the rural and non-rural carriers eligible to receive federal high-cost support in their State (including high cost loop support, local switching support, high cost support received pursuant to the purchase of exchanges, high cost model support, and hold harmless support) will use such funding only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with § 254(e) of the Telecommunications Act of 1996.

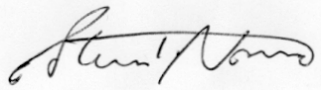
As you can see from the attached Order (Attachment 1), the Ohio rural and non-rural carriers previously identified by the Universal Service Administrative Company (USAC) as eligible to receive the aforementioned federal USF support has filed with the Ohio Commission a sworn affidavit demonstrating their intent to utilize such funding in a manner consistent with Section § 254(e) of the Telecommunications Act of 1996.

In further keeping with the federal certification requirements, also attached to this letter are two lists (included together as Attachment 2) separately identifying the specific rural and non-rural carriers, respectively, that were granted certification via the September 20th F&O, along with each carrier's unique 6-digit NECA study area code.

Accordingly, the Ohio Commission certifies that all of the above-referenced carriers have indicated in writing their intent to use the funding only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with § 254(e) of the Telecommunications Act of 1996.

Please send me a time-stamped copy of this letter in the enclosed self-addressed envelope (an extra copy of this letter is enclosed for that purpose). Otherwise, if you should have any questions or comments regarding this submittal, please contact me at the number below or Jennifer Reed, Utilities Specialist 1 with the PUCO, at (614) 644-8000.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven T. Nourse", is displayed within a light gray rectangular box.

Steven T. Nourse
Principal Attorney
Public Utilities Section
180 E. Broad Street, 9th Floor
Columbus, OH 43215
(614) 466-4396
Fax: (614) 644-8764

cc: Karen Majcher, USAC

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission)
Investigation of the Intrastate Universal) Case No. 97-632-TP-COI
Service Discounts.)

FINDING AND ORDER

The Commission finds:

- (1) On May 7, 1997, the Federal Communications Commission (FCC) issued a Report and Order in CC Docket 96-45 (96-45) (*In the Matter of Federal-State Board on Universal Service*) adopting rules to promote universal service consistent with the requirements of the Telecommunications Act of 1996 (1996 Act). In its 96-45 decision, the FCC, among other things, set forth parameters for the states to determine those carriers eligible to receive federal universal service support. The states were further to determine those carriers that should be classified as rural carriers or non-rural carriers for the purpose of federal universal service support consistent with the Communications Act of 1934, as amended.
- (2) On November 2, 1999, the FCC released its Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45. In that Order, the FCC addressed, among other things, the issue of non-rural carriers' eligibility to receive federal high cost support through the temporary "hold-harmless" provision. Hold-harmless support was established by the FCC as a short term measure to ensure that the amount of support provided to non-rural carriers under the newly revised high cost funding mechanism is no less than the amount provided under the former mechanism. The FCC determined that states are well suited and best positioned to determine whether non-rural carriers intend to utilize such hold-harmless support consistent with the goals set forth in Section 254(e) of the 1996 Act. Under Section 254(e), carriers must use universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." Given that states generally have primary authority over carriers' intrastate activities, the FCC indicated that a state certification process provides the most reliable means of determining such carriers' compliance with the legislative mandate. Accordingly, the FCC stated that it would require the states that wish to receive federal universal service hold-harmless support for

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SB Date Processed 9/20/06

non-rural carriers within their boundaries to file a certification with the FCC and the Universal Service Administrative Company (USAC) stating that all federal high-cost funds flowing to those carriers in that state will be used in a manner consistent with Section 254(e). Absent such certification, carriers will not receive such support. Moreover, in the event that a State determines that a carrier has not complied with Section 254(e), the State shall have the authority to revoke certification.

- (3) In a similar decision issued on May 23, 2001 under the same docket (Fourteenth Report and Order and Twenty-Second Order on Reconsideration in CC Docket No. 96-45), the FCC determined that states should also be responsible for determining whether rural carriers are using their universal service high cost support (specifically, high cost loop support [47 C.F.R., Part 36]; local switching support [47 C.F.R. §54.301]; and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305]) consistent with Section 254(e). Based on that determination, the FCC applied the same certification procedures for rural carrier receipt of high cost funding as it did for non-rural carriers' receipt of hold harmless support.
- (4) FCC certifications for federal high cost funding are to be submitted annually on October 1st, in order to be eligible for high cost support throughout the next full calendar year.
- (5) In order to comply with the FCC's certification requirements, on August 9, 2006, the Commission released an Entry in the instant docket calling for notarized affidavits from those rural and non-rural carriers receiving federal universal service high cost funding in Ohio, attesting that they will utilize such support consistent with Section 254(e). All affected carriers were required to use template affidavit forms provided by the Commission (as Attachments A and B in the August 9th Entry), and were directed to file such affidavits by September 8, 2006. Accordingly, properly filed affidavits were received from the following carriers:

Arcadia Telephone Company d/b/a TDS Telecom
The Arthur Mutual Telephone Company
Ayersville Telephone Company
Bascom Mutual Telephone Company
Benton Ridge Telephone Company
Buckland Telephone Company

CenturyTel of Ohio, Inc.
The Champaign Telephone Company
The Chillicothe Telephone Company
The Columbus Grove Telephone Company
The Conneaut Telephone Company
Continental Telephone Company d/b/a TDS Telecom
Doylestown Telephone Company
Farmers Mutual Telephone Company
Fort Jennings Telephone Company
Frontier Communications of Michigan
Germantown Independent Telephone Company
Glandorf Telephone Company, Inc.
Kalida Telephone Company, Inc.
Little Miami Telephone Corporation d/b/a TDS Telecom
McClure Telephone Company
Middle Point Home Telephone Company
Minford Telephone Company
New Knoxville Telephone Company
Nova Telephone Company
Oakwood Telephone Company d/b/a TDS Telecom
Orwell Telephone Company
The Ottoville Mutual Telephone Company
Pattersonville Telephone Company
Ridgeville Telephone Company
Sherwood Mutual Telephone Association, Inc.
Sycamore Telephone Company
Telephone Service Company
Vanlue Telephone Company d/b/a TDS Telecom
Vaughnsville Telephone Company
Wabash Mutual Telephone Company
Windstream Ohio, Inc.
Windstream Western Reserve Inc.

- (6) The Commission's Staff has reviewed the affidavits submitted by the aforementioned companies, and has concluded that they satisfy the FCC's requirements for certification to receive high cost funding consistent with Section 254(e) of the 1996 Act.
- (7) The Commission finds that certification of the aforementioned carriers to receive federal high cost support, including interim hold harmless support for non-rural carriers, as well as high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a

97-632-TP-COI

purchase of exchanges [47 C.F.R. §54.305] for rural carriers, should be granted.

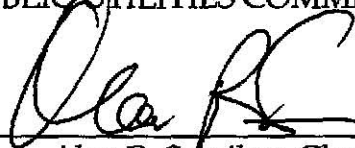
It is, therefore,

ORDERED, That all carriers identified in Finding (5), above are hereby certified to the FCC and USAC as being eligible to receive federal high cost support (including interim hold harmless support for non-rural carriers, as well as high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305] for rural carriers, as such carriers have demonstrated their intent to utilize such funding in a manner consistent with Section 254(e) of the Telecommunications Act of 1996. It is, further,

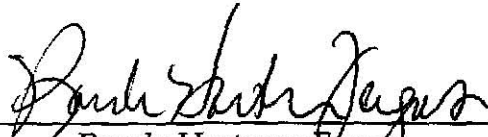
ORDERED, That nothing contained in this Finding and Order shall be deemed binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all interested persons of record in this investigation.

THE PUBLIC UTILITIES COMMISSION OF OHIO



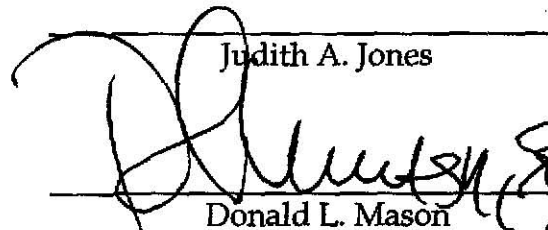
Alan R. Schriber, Chairman



Ronda Hartman Fergus



Valerie A. Lemmie



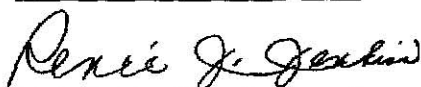
Judith A. Jones

Donald L. Mason

JR:sm

Entered in the Journal

SEP 20 2006



Renee J. Jenkins

Secretary

ATTACHMENT 2

Presented below are separate lists of those Ohio rural and non-rural carriers, respectively, that have satisfied the PUCO's affidavit requirement, and thus obtained certification to receive federal high cost support, including high cost loop support, local switching support, high cost support received pursuant to the purchase of exchanges, high cost model support, and hold harmless support .

Carriers Having Properly Filed 254(e) Rural Affidavits

Study Area Name	SAC
ARCADIA TELEPHONE COMPANY d/b/a TDS TELECOM	300585
ARTHUR MUTUAL TELEPHONE COMPANY , THE	300586
AYERSVILLE TELEPHONE COMPANY	300588
BASCOM MUTUAL TELEPHONE COMPANY	300589
BENTON RIDGE TELEPHONE COMPANY	300590
BUCKLAND TELEPHONE COMPANY	300591
CENTURYTEL OF OHIO, INC.	300630
CHAMPAIGN TELEPHONE COMPANY , THE	300594
CHILLICOTHE TELEPHONE COMPANY , THE	300597
COLUMBUS GROVE TELEPHONE COMPANY	300604
CONNEAUT TELEPHONE COMPANY	300606
CONTINENTAL TELEPHONE COMPANY d/b/a TDS TELECOM	300607
DOYLESTOWN TELEPHONE COMPANY	300609
FARMERS MUTUAL TELEPHONE COMPANY	300612
FORT JENNINGS TELEPHONE COMPANY	300614
FRONTIER COMMUNICATIONS OF MICHIGAN	300682
GERMANTOWN INDEPENDENT TELEPHONE COMPANY	300618
GLANDORF TELEPHONE COMPANY, INC.	300619
KALIDA TELEPHONE COMPANY, INC.	300625
LITTLE MIAMI COMMUNICATIONS CORPORATION d/b/a TDS TELECOM	300613
MCCLURE TELEPHONE COMPANY	300598
MIDDLE POINT HOME TELEPHONE COMPANY	300633
MINFORD TELEPHONE COMPANY	300634
NEW KNOXVILLE TELEPHONE COMPANY , THE	300639
NOVA TELEPHONE COMPANY, THE	300644
OAKWOOD TELEPHONE COMPANY d/b/a TDS TELECOM	300645
ORWELL TELEPHONE COMPANY	300649
OTTOVILLE MUTUAL TELEPHONE COMPANY, THE	300650
PATTERSONVILLE TELEPHONE COMPANY	300651
RIDGEVILLE TELEPHONE COMPANY	300654
SHERWOOD MUTUAL TELEPHONE ASSOCIATION, INC.	300656
SYCAMORE TELEPHONE COMPANY	300658
TELEPHONE SERVICE COMPANY	300659
VANLUE TELEPHONE COMPANY d/b/a TDS TELECOM	300662
VAUGHNSVILLE TELEPHONE COMPANY	300663

WABASH MUTUAL TELEPHONE COMPANY

300664

Carriers Having Properly Filed 254(e) Non-Rural Affidavits

STUDY AREA NAME

SAC

WINDSTREAM OHIO, INC.

300665

WINDSTREAM WESTERN RESERVE, INC.

300666